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Thank you for all the calls and e-mails we received in the last three days from our members and friends.

We greatly appreciate your support in these difficult times.

Our thoughts go out to the victims and their families.



ECG & other industry events

- ▶ ECG Maritime & Ports Meeting, **12-13rd April**, Valencia, Spain
- ▶ ECG Eastern Regional Meeting, **14st April**, Gdansk, Poland
- ▶ ECG Dinner Debate, **19th April**, Brussels, Belgium
- ▶ CSR Europe's Sustainable Supply Chain Logistics Forum, **20th April**, Brussels, Belgium
- ▶ ECG Spring Congress & General Assembly, **26-27th May**, Lago Maggiore, Italy
- ▶ ECG UK & Ireland Meeting, **15th June**, Liverpool, UK
- ▶ Automotive Supply Chain Congress, **15-16th June**, Liverpool, UK
- ▶ ECG Conference, **20-21st October**, Hamburg, Germany
- ▶ ECG UK & Ireland Meeting, **9th November**, London, UK
- ▶ ECG Academy Alumni Meeting, **2nd December**, Bremen, Germany

NEWS FROM BRUSSELS

ERFA leads the charge for the rail sector to up its game and deliver higher performance



(Source: ERFA, 15th March 2016) At ERFA's annual event Henrik Hololei, Director-General of the Directorate-General for Mobility and Transport (DG MOVE) led calls for the rail sector to raise its game. Highlighting ERFA's ambitious, new action plan to deliver high performance on the rail freight corridors, Mr Hololei welcomed this fresh momentum to tackle rail's current underperformance. Making a plea for the sector and Member States to move away from creating barriers to a more

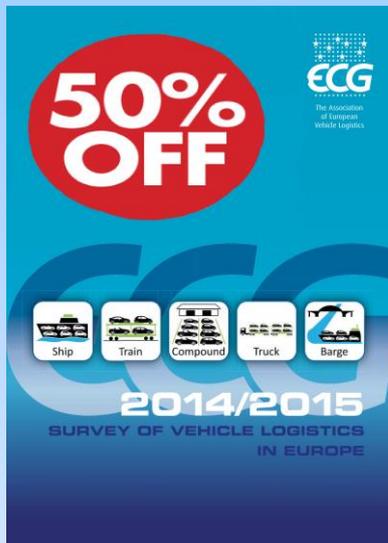
competitive sector, Mr Hololei expressed his regret for the lowering of the original ambition in 4th Railway Package political pillar. Nevertheless he underlined that this is an important step forward towards the Single European Rail Area. The readiness and the momentum of independent rail operators to drive forward dynamic change in the rail sector was highlighted by ERFA President Irmtraut Tonndorf. ERFA will tackle the cost and quality issues facing the rail sector as a priority. The achievement of "quick wins", relatively small investments in quality that can result in big improvements on the performance of rail, must be at the centre of any action plan to improve performance of the rail corridors. ERFA will also focus on close collaboration with enforcement and competition authorities to push forward greater market-orientation in the sector. In particular Ms Tonndorf highlighted current EU rules requiring infrastructure providers to reduce costs and user charges, which need urgent enforcement. In the debate held on the occasion of the ERFA event the moderator Wim van de Camp MEP urged the sector to be proactive in finding solutions. Not all the challenges faced by the rail sector would be solved by the 4th Railway Package and new, innovative ideas would be needed from within the sector. EU policy makers should support this. Matthew Walsh, Executive Vice-President of Genesee and Wyoming highlighted how greater stability, coordination and consistency between and within the various regulatory regimes of the European rail market would allow for the same productivity enhancements, investment and freight rail volume growth experienced in North America and Australia. Samskip CEO Jens Holger Nielsen urged political action to support the more sustainable rail sector vis-à-vis the road sector and highlighted the concern that rail monopolies are still a major issue stifling competition, making rail less attractive to customers. Barbora Mickova from the new entrant Leo Express echoed this view, highlighting the many benefits of customer choice for boosting rail growth, but the many limitations that existed for new companies to invest in rail and offer their services. Closing the debate Hellen van Dongen from the Dutch Transport Ministry highlighted the Dutch Presidency's initiative for a strong commitment from the EU Member States to deliver high performance of the corridors. The challenge is on the rail sector to respond and grasp the opportunities. Lowering user charges and incentivising higher performance for rail were the two main themes discussed during the earlier ERFA





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Seat confirms small SUV will launch next year

(Source: *Automotive News Europe*, 23rd March 2016) Volkswagen Group's Seat brand confirmed it will launch an entry into the booming subcompact SUV sector. The brand will begin production of the model next year, Seat said in a statement. The SUV will be built at Seat's plant in Martorell, Spain. "This is excellent news for both the brand and our main factory because it is the fastest growing segment," CEO Luca de Meo said in the statement. The new model will rival cars such as the Nissan Juke and it will be the brand's second SUV. Seat will launch its first SUV, the compact-sized Ateca, in the summer. The Ateca shares VW Group's MQB architecture with the VW Tiguan and will be built by VW's Skoda subsidiary in the Czech Republic. Last year the subcompact SUV sales in Europe increased by 36% to just over 1 million, according to figures from market analysts JATO Dynamics. The segment now accounts for 8% of the total European market and 38% of the total SUV volume in the region.

EUROPE

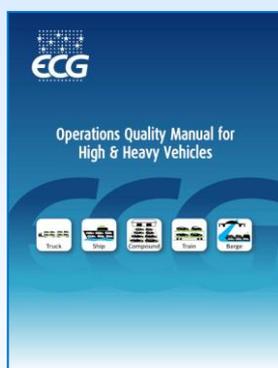
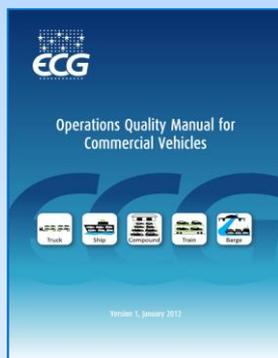
GEFCO supports BMW with Silk Road rail shipments

(Source: *Automotive Logistics News*, 23rd March 2016) BMW is working with transport and logistics provider **GEFCO** on trial shipments of vehicles in containers between Europe and China. GEFCO has recently completed a second trial shipment involving 40 BMW 1-series cars that were transported between Regensburg in Germany and Chengdu in China. It followed a pilot trial carried out in November last year, which also proved successful. The trials are designed to test the reliability, lead times and quality control on the route. The most recent journey was completed within 17 days, compared to the 55-day journey by ocean. GEFCO was able to load four cars per TEU container with the aid of an internal racking system provided by specialist supplier, Trans-Rak. "The challenge for automotive manufacturers exporting into vast regions like China has been that the ports are situated in the west of the country and there is a lack of infrastructure," said Paul Donaldson, managing director at Trans-Rak. "Traditionally, the solution has been to ship vehicles to the eastern seaboard, but the opening of a new inland freight terminal in Chongqing has for the first time made a pan-China road and rail solution viable, which reduces lead times, saves costs and is sustainable." Last month Russian finished vehicle transport provider, ATK, reported that it had cut delivery times on finished vehicle imports from China by more than half by shipping them in containers. The vehicles, supplied by Dongfeng Motors, were also loaded into the containers using an internal racking system. Both BMW and Dongfeng used the R-Rak provided by Trans-Rak. BMW already regularly ships complete knockdown (CKD) kits of the 3 and 5 Series from its Leipzig logistics centre in Germany to its joint venture assembly plant in Shenyang, north-eastern China. That service, which began in 2011, is provided by **DB Schenker**.

New report unveils harsh reality of being a foreign truck driver in Denmark

(Source: *ETF*, 18th March 2016) The European Transport Workers' Federation (ETF) Danish affiliate 3F has conducted a study in co-operation with Romanian and Bulgarian ETF affiliates and the Danish Transport and Logistics Association (DTL) and financially supported by the Danish Working Environment Authority. The purpose of the study was to investigate pay, working conditions and living standards of Bulgarian, Romanian and Macedonian lorry drivers operating in Denmark and Western Europe. It uncovers a situation of drivers being put under pressure to break rules and regulations related to driving and resting times. Some reported being forced to live in their lorries for at least seven weeks at a time while earning a third of the wage compared to e.g. Danish truck drivers. 225 Romanian, Bulgarian and Macedonian drivers were interviewed by the

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independent research company COWI in the week from 12th to 18th October 2015 with the aim to draw a clear picture of their working and living conditions. The conclusions were published in a detailed report and summarised in a booklet. The study offers a clear indication that Bulgarian, Romanian and Macedonian drivers are used for routine driving in Denmark and the rest of North-western Europe performing their work under their home country's pay and working conditions. These are very different from pay levels and collective agreement conditions in the Western-European countries where they actually work. The survey clearly documents that the principle of equal pay for equal work is not applied in relation to the drivers working on the roads in Denmark and North-western Europe. The report speaks of both unfair competition and nationality-based discrimination in relation to the pay and working conditions of the drivers. The drivers who were subject to this study work on permanent basis in and from Denmark, having no activity in their country of origin. They must therefore be covered by the Danish pay and conditions. The situation of lorry drivers described above is one of the reasons the ETF is currently supporting the European Citizens' Initiative "[Fair Transport Europe](#)", calling upon the EU decision makers to improve working conditions and secure fair competition for law-abiding businesses in the different transport sectors. The ETF has developed its [vision for the future of European Transport](#) and is running a campaign to raise awareness about the dire working conditions of transport workers in Europe. Sign the [online petition](#) for fair transport and put an end to unfair competition and social dumping in Europe.

The report can be downloaded from the [ETF website](#).

Trucks on a European tour for platooning

(Source: *Automotive Purchasing*, 18th March 2016) On the initiative of the Dutch Presidency of the EU, three Volvo trucks communicating wirelessly and driving closely behind one another, in a method known as platooning, will travel through Europe to Rotterdam. When trucks can drive closely behind one another, fuel economy is improved as a result of the reduction in drag. Drag accounts for up to 25% of a truck's total fuel consumption, and the closer the trucks drive to each other, the greater the fuel-saving potential. Using wireless technology, the trucks can drive with only about a one-second gap between the vehicles in a platoon. By communicating with each other, the trucks automatically match each other's speed and braking. "Essentially, this means that the reaction time for breaking is reduced to zero, which in turn improves safety and minimises the 'accordion effect' in connection with traffic congestion," said Anders Kellström, Project Manager for Volvo's participation in the EU Truck Platooning Challenge. It is currently not possible to utilise the advantages of platooning on Europe's roads, since legislation in the various countries governing the safe driving distance between trucks differs. The Netherlands has initiated the European Truck Platooning Challenge in an effort to discuss and highlight the changes required in European transportation legislation that would facilitate the introduction of platooning. All truck manufacturers in Europe have been invited to drive truck convoys from their respective countries to a final event in Rotterdam in April. The Volvo Group will participate by driving three trucks in a platoon from Gothenburg to Rotterdam in the Netherlands via Denmark, Germany and Belgium. Volvo, in co-operation with the Swedish Transport Administration and the City of Gothenburg, will arrange a seminar in Gothenburg in conjunction with the start of the journey to address the potential to enhance the efficiency of transportation through platooning and autonomous driving. A similar seminar will be arranged by Volvo Trucks in Brussels on 5th April 2016. "We believe that platooning offers major advantages, mainly for our customers, but also for society in the form of fuel savings, reduced emissions and enhanced transportation efficiency. Together with the rest of society, the transportation industry needs to tackle such challenges as the harmonisation of legislation, and in so doing promote the introduction of platooning in Europe," said Anders Kellström.



Truck



Ship



Compound



Train



Barge

Events in Brussels

The European Barge Union (EBU) organises its [Inland Waterway Transport](#) (IWT) event on **7th April**

The European Commission organises its [Road Transport Conference 2016](#) on **19th April**

The Nordic Logistics Association organises an event, under the patronage of MEP Wim van de Camp, entitled "The path to better enforcement for road freight transport" on **26th April**

ECG always attends these events whenever possible. If a member is interested in any of them, please contact ECG.

Some European mayors urge clampdown on diesel emissions

(Source: *EurActiv*, 22nd March 2016) The mayors of 20 European cities including Madrid, Paris and Copenhagen, but excluding London, have called for more stringent regulations to be put in place across the continent to tackle the deadly levels of air pollution caused by diesel vehicles. In a letter published in French newspaper *Le Monde* this week, the mayors warn that new governance of EU car emissions, which will effectively see limits on emissions relaxed by 2019, is giving the automotive industry the 'green light' to overstep limits and endanger public health. The letter states: "We believe that this decision is unfair and wrong. It is unacceptable to introduce emissions thresholds, only to allow them to be violated. It cannot be right to impose a duty upon public authorities to comply with air pollution standards, while at the same time giving the automotive industry the green light to infringe them." In the wake of the Volkswagen emissions scandal, European Member States compromised on a deal to measure 'real driving emissions', which, due to conformity factors, could still see new cars emit twice (110%) the legal limit of nitrogen oxide (NO_x) without being punished. The group of mayors, which also includes signatories from Oslo, Amsterdam and Brussels, warn that failing to address these issues could lead to an increase on the 430,000 Europeans that die each year because of air pollution. The mayors added: "What can we say to parents whose children are suffering from acute respiratory disorders, or to elderly people and to the most vulnerable?" An invitation to sign the letter was extended to the mayors of Berlin, Rome and London, who all reportedly chose to ignore the call. Mayor of London Boris Johnson, who has himself called for a diesel scrappage scheme, defended London's air pollution levels as he strives to turn the capital into an Ultra-Low Emission Zone. Johnson and the UK government have received intense criticism over the air pollution policies and the Department for Environment, Food and Rural Affairs (Defra) could be set for a court visit over its "woeful" air quality policies that saw local authorities have their budgets to tackle air issues halved. The lack of action from the government has apparently led to 9,500 unnecessary deaths in the capital each year, with London taking just one week to break European air pollution limits. Chancellor George Osborne gave no mention of the critical issue of air quality in his 2016 Budget speech last week, but the government's full budget document does include new measures to support the transition to cleaner, zero and ultra-low emission vehicles. Despite the lack of movement from the government on air quality, Energy Minister Andrea Leadsom earlier this week announced that the UK will enshrine in law a long-term goal of reducing its carbon emissions to zero. A potential diesel tax could help put that pledge in motion, with the Policy Exchange think tank claiming that a new tax incentive could generate more than £500m (€640m) to fund a diesel car scrappage scheme.

330km of new express roads in Poland to overcome bottlenecks in trans-European infrastructure

(Source: *European Commission*, 17th March 2016) The European Commission has approved ten major projects worth €3.3bn for the construction of approximately 330km of new express roads in Poland. The projects will receive contributions from the Cohesion Fund of €1.2bn and €493m from the European Regional Development Fund (ERDF). Jyrki Katainen, Vice-President for Jobs, Growth, Investment and Competitiveness, said: "Transport infrastructure is one of the target sectors of the Investment Plan for Europe. Today's announcement will improve accessibility within Poland, facilitate international trade links and boost tourism. European Structural and Investment (ESI) funds are an excellent way to invest in transport, as is the European Fund for Strategic Investments (EFSI) which has already helped to finance many transport projects. We recently issued guidelines explaining how project promoters could combine ESI funds with the EFSI so I hope people will make use of this possibility." Corina Crețu, Commissioner for Regional Policy, emphasised: "This is a big day for investment in the EU and particularly in Poland. The implementation of these projects will



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have a direct positive impact on everyday life. As part of the core Trans-European Transport Networks, this EU financial support to new infrastructure will reduce bottlenecks and make life for people easier and boost business activity.” Violeta Bulc, Commissioner for Transport, added: “Transport is a strong driver of economic growth, jobs and trade. It is therefore a priority of the Commission to boost public and private investment in this sector. ESI funds are a prime example and other instruments exist, such as the Connecting Europe Facility or the European Commission’s Investment Plan. I hope to see many other transport projects being supported by the EU in Poland.” Four major projects located in the regions of Lower Silesian and Lubuskie will receive a contribution of €776.2m from the Cohesion Fund. Many of the roads are conducted on the track of existing national roads or in their vicinity, and are part of the Baltic-Adriatic TEN-T Core Network Corridor. The projects will eliminate bottlenecks in transport communication, attract business and improve road safety. The European Commission will also invest €493.3m from the European Regional Development Fund (ERDF) in two major projects in the Warmińsko-Mazurskie region where the express road S7 is a part of the TEN-T corridor. The improved connectivity will boost trade and tourism. Additionally, access to inter-regional connections will be improved thanks to investments worth of €441.3m from the Cohesion Fund through four major projects in the regions of Podlaskie, Małopolskie, Świętokrzyskie and Mazowieckie where the Via Baltica, a 970km stretch between Warsaw and Tallinn, constitutes a significant connection between the Baltic States.

Statistics on transport criminality in Belgium

(Source: European Shippers’ Council, 17th March 2016) OTM, the Belgian Shippers’ Council, has published its findings on criminality in the Belgium transport sector in 2015. Compared to previous years, food, electronics and car parts remain the most stolen goods. However, there was a decrease in stolen metals. The direct losses of theft are estimated at €8,3bn every year. This, however, excludes indirect financial losses. A challenge that should be tackled on the international level is partial thefts, especially on highway parking areas. Professional federations - of insurers and carriers - are proposed as a possible solution. Theft of decoupled trailers on open parking areas also remain a problem. 25% of all incidents are stolen decoupled trailers, which is an increase of 6% compared to the year before. To prevent this, it is believed that security on company compounds and the logistics organization of the transports must be improved in order to avoid stops at unsafe locations. Furthermore, although the number of warehouse thefts is limited, it concerns high value thefts. Prevention can be improved for instance by preliminary inspections of the sites and protective measures. In 2015 the percentage of recovery of vehicles and cargo was slightly improved. However, international action is necessary to tackle this problem as it is often a cross-border phenomenon. With regard to fake carrier problems, Belgium saw in 2015 for the first time a spectacular decrease in the number of fake carrier frauds, which is a result of the introduced Belgian warning system for fake carriers. Law enforcement co-operation on the international level is still very weak, despite EUROPOL and INTERPOL. However, the EU has created an Expert-Committee to tackle these problems. This committee has stated that it intends to create a statistic database, tackle cyber-crime and consider transport security as crucial to the economic interests of the EU.

REST OF THE WORLD

South Carolina Ports Authority exports two millionth locally-made BMW

(Source: Automotive Purchasing, 22nd March 2016) South Carolina Ports Authority (SCPA) exported the two millionth BMW manufactured in South



Carolina, a milestone celebration of the Port's longstanding partnership with the nation's top vehicle exporter by value. The two millionth vehicle, a Space Grey Metallic BMW X5 M50d, was loaded for export onto the ELEKTRA vessel operated **Wallenius Wilhelmsen Logistics** for delivery to a customer in Germany. "SC Ports Authority has a strong history with BMW Manufacturing, and their operations are a tremendous asset to our port and region," said Jim Newsome, SCPA President and CEO. "Today we commend a talented, committed workforce at BMW on this achievement and celebrate their continued trust in us to deliver South Carolina-made BMWs to the world." The Port exported over 250,000 BMW vehicles in 2015, driving SCPA's 13% year-on-year increase in finished vehicle volume last year. "Together with such partners as SCPA, BMW has become part of the fabric of this great state and is a wonderful illustration of what can be achieved when federal, state and local government work hand-in-hand with business," said Manfred Erlacher, President and CEO, BMW Manufacturing. "I am honoured to celebrate the two millionth BMW exported through the South Carolina Ports." SCPA played a key role in BMW's decision to locate in South Carolina, and its first import vehicles were handled through Charleston in 1994. In 2011 SCPA completed a \$23m renovation of Columbus Street Terminal as a state-of-the-art breakbulk facility with adequate capacity for growing vehicle volumes, and BMW is the largest user of that terminal today. BMW's cargo commitment was a significant factor in SCPA's decision to open the Inland Port in Greer, South Carolina in 2013. With BMW as the launch customer, the Inland Port has since added numerous users and far surpassed volume expectations, with over 75,000 rail moves handled last year. "As the gateway to the global marketplace, the Port plays a critical role in supporting our state and region's manufacturing economy," Newsome said. "SCPA is proud to serve BMW's 'just in sequence' supply chain needs through our Charleston and Greer facilities, and we look forward to supporting their continued future growth."

PRESS RELEASES

New technology drives efficiency in automotive supply chain

(Source: **Paragon Automotive**, 21st March 2016) As the UK's leading provider of new, in-life, used and remarketing services to the automotive industry Paragon Automotive handles over 1m new and used vehicles a year.

The automotive sector is booming in the UK with a record 2.63m new cars sold in 2015, after a fourth consecutive year of growth. Many of these new cars are imported into the UK and managed by Paragon at the docks, where they are prepared for the UK market and stored before transport to retailers.

With continued growth in the automotive sector, manufacturers and their partners are seeking innovative ways to drive efficiency to accommodate increased volumes.

In an industry first, Paragon Automotive has deployed (RFID) technology at its newly redeveloped site in Immingham to make smarter use of both its people and land. The company believes it will see significant cost savings and service-enhancing benefits at all touch-points through the vehicle's lifecycle.

Chris Higgins, Group IT Director at Paragon said: "Paragon is leading thinking in the application of technology in the automotive sector. We are always looking for ways to work smarter. RFID was one such technology that has been developing for a number of years and it was a case of waiting for the performance to meet our requirements.

"We have integrated RFID deep into our system and business processes and we are already seeing some benefits that are beyond our expectations."

The company says it has seen improvements in stock control, compound management and wider merit in a data-rich environment.

"The power is not really in the RFID technology itself but rather in the real-time data it generates and the unique ways we are making use of that within our central Evolution IT platform, along with new-generation and mobile devices to make us smarter and more efficient."

With up to 20,000 vehicles managed by a single site, RFID enables each vehicle to be geo-located as it moves through the process, making significant time savings in vehicle management and increasing transparency.



Every vehicle is tagged the moment it enters Paragon’s care. In the case of the first RFID deployment, this is at the point the new units are taken off car transporter vessels at the quayside. As the tag is applied, it is matched to the factory barcode and linked to the vehicle record in Paragon’s Evolution system.

On site, when a vehicle is recognised by its RFID tag, the system determines the location, status and workflow required to ensure total control and process adherence. Elsewhere on site, RFID technology allows for entire transporters to be scanned in order to confirm load contents and dispatches, which creates a large saving in terms of man hours.

Higgins said: “Where a stock check of 20,000 vehicles would have taken a team of 20 people an entire weekend, we can now complete the task at the push of a button.”

Automotive manufacturers expect accuracy and speed across the supply chain, which are two of RFIDs strengths. Paragon expects the technology to improve product visibility across the entire supply chain, leading to reduced operational costs, increased margins and a more efficient logistics process.

Higgins said: “Ultimately, RFID opens the door for manufacturers and supply chain partners to transform outdated processes and deliver a seamless data-rich experience. We aim to work with customers and partners up and down the supply chain to build this out and drive further efficiency. Paragon has invested both time and money to ensure the data is integrated into our systems and processes. How we use the data in our proprietary software systems and then integrate this into workflow is really how we unlock efficiency.”

RFID on its own provides the data but it needs smart process engineering and software solutions to realise efficiency. It opens the door for manufacturers and supply chain partners to transform outdated processes and deliver a seamless data-rich experience.

Höegh Autoliners recognized by General Motors as a 2015 Supplier of the Year Winner

(Source: *Höegh Autoliners*, 17th March 2016) Höegh Autoliners was named a GM Supplier of the Year by General Motors during its 24th annual Supplier of the Year awards ceremony held Thursday, March 10 at Cobo Center in Detroit, Mich.

GM recognized 110 of its best suppliers from 17 countries who have consistently exceeded GM’s expectations, created outstanding value, or brought new innovations to the company. The announcement represented the most suppliers GM has recognized since debuting the Supplier of the Year event in 1992. This is the 12th time Höegh Autoliners has received the award.



On the picture, from left to right : Todd Scott, Executive Director Global Supply Chain at General Motors; Susan Serrano, Key Account Manager at Höegh Autoliners; Ingar Skiaker, CEO at Höegh Autoliners and Edgard Pezzo, Executive Director Global Logistics and Containers at General Motors



“We are focused on building positive supplier relationships, bringing new, customer-centric innovations to GM, and being the OEM of choice among suppliers,” said Steve Kiefer, GM vice president, Global Purchasing and Supply Chain. “The companies we recognize tonight not only have brought innovation, they delivered it with the quality our customers deserve.”

GM’s 2015 supplier recognition represents a nearly 40% increase in the number of suppliers honoured compared to 79 recipients in 2014. More than half of the suppliers are repeat winners from 2014.

Winning suppliers were chosen by a global team of GM purchasing, engineering, quality, manufacturing, and logistics executives and selected based on performance criteria in Product Purchasing, Indirect Purchasing, Customer Care and Aftersales, and Logistics.

A celebration to innovation and determination

(Source: *Höegh Autoliners*, 23rd March 2016) This year Höegh Autoliners celebrates 30 years since the establishment of our office in Japan, a celebration to innovation and determination through three decades. No market has been as important to the car carrier business as Japan.

Our history as a car carrier in Japan goes back even further, but in the first 15 years we were represented by an agent, Aall & Company, also a company with Norwegian roots. It was in Japan, through Höegh’s contract with Nissan, that the co-operation with Ugland started and became the joint venture HUAL, which today is Höegh Autoliners. And it was for the Japanese car export that the first Pure Car Carriers (PCCs), the predecessors of the vessels we run today, were first developed.

Japan in the 1970’s was the market where ‘it all began’ for the car carrier industry, with an increased demand from Japanese automakers for safe and efficient sea transportation of large volumes of cars.

The market for car transportation saw a remarkable development in the 1970’s. Rising oil prices led to a new interest in small cars, stimulating the Japanese car industry to almost triple its exports over the decade.

“Already in 1969 Höegh signed a contract with Nissan for transporting cars from Japan to Europe and this spurred the start of a Pure Car Carrier fleet. Nissan demanded specialized Ro-Ro tonnage for their transportation and we converted two tankers in to PCCs, the first one named Höegh Trader.”

This was the start of a decade long bullish market for the deep sea car carrier industry.

Between 1975 and 1981 the capacity of the world’s car-carrying fleet almost doubled as a result of the growing Japanese car export. Then, suddenly, the world was hit by a financial crisis and Japanese automakers established new car factories closer to their sales markets. This reduced the need for deep sea car transportation and the industry saw cargo volumes drop with almost 30% on the East Asia trade.

“Such a dramatic drop in car volumes had to be mitigated for and Höegh signed contracts with several High and Heavy exporters in Japan.”

Once again, a new era started, driven by the Japanese market. To carry high and heavy cargo, the vessels must be more flexible than the traditional PCCs with their low cargo decks, designed to fit in as many cars as possible. This was the start of the Pure Car and Truck Carriers (PCTCs), with flexible decks, enabling a more diversified cargo mix to be loaded.

Hual Tracer was the name of one of the first PCTCs in Höegh’s fleet and the historic vessel name is now in use on our latest new building, Höegh Tracer. For the second time the name is chosen for vessel of a revolutionary new design in the Company’s fleet.

When celebrating 30 years in Japan, we not only celebrate Höegh’s presence in the country but the company’s will to pioneer new technology and determination to bring the industry forward. We were there when it happened in Japan and today we are investing with the same determination in new markets.

Recently Höegh celebrated that the Company has been established with our own offices in Mexico for one year. Mexico is the new automotive powerhouse and building on our history we will continue to invest and develop in to new markets now and in the future.